

Economic and Allocation Advisory Committee

Timetable, Goals, and Today's Agenda

Timetable

Future meetings:

late September or early October

November

December (final meeting)

By January 1, 2010: submit report with cap-and-trade recommendations

Possibly continuing after January 1: economic analysis of AB 32 impacts

Work Phases

Phase 1: Largely conceptual and qualitative

EAAC's Economics role:

- identify key model inputs, models used, results to date
- consider potential alternative inputs and models

EAAC's Allocation role:

- develop analytical frameworks, indicate options, and identify information needs concerning:
 - design of allocation mechanisms (free or auctioning)
 - provision of allowance value

Phase 2: More quantitative and leading to specific assessments and recommendations

Subcommittees

Economics: convey potential economic impacts of AB 32

Allocation Mechanisms: examine alternative bases for free allocation, alternative auction designs

Allowance Value Provision: consider alternative ways to distribute allowance value

Legal: clarify legal context, identify existing/potential restrictions

Welcome and Opening Remarks

- a. **Presentation from the Chair on work plans and timing (Lawrence H. Goulder, EAAC Chair)**
- b. **Presentation from Air Resources Board staff on AB 32 implementation (Kevin Kennedy, Assistant Executive Officer, Air Resources Board)**

Analysis of Options for Allowance Allocation and Revenue Use

- a. **Relevant criteria (Lawrence H. Goulder, EAAC Chair)**
- b. **Allocation Methods Subcommittee presentation (Dallas Burtraw, EAAC Allocation Methods Subcommittee Chair)**
- c. **Allowance Value Provision Subcommittee presentation (Matthew Barger, EAAC Allowance Value Subcommittee Chair)**
- d. **Legal Issues Subcommittee presentation (Joe Nation, EAAC Legal issues Subcommittee Chair)**

Lunch

Economic Analysis of AB 32 Impacts

- a. **Presentation on Scoping Plan and Continuing Economic Analysis (Matt Zaragoza, Air Resources Board)**
- b. **Economic Analysis Subcommittee presentation (Jim Sweeney, EAAC)**